

business in the State; and he has properly and fully accounted for and paid over to the proper authorities all funds which came or should have come into his hands. We find that he has kept the securities deposited by the several insurance companies, in accordance with law, in safety-deposit boxes in a vault in a bank in the city, which is reputed to be as near burglar-proof and fireproof as such vaults are made at this time. The State has provided no vault of a modern character sufficiently burglar-proof and fireproof for any of the State offices, including the Insurance Commissioner and the State Treasurer. The Insurance Commissioner is now occupying temporary quarters in a rented brick and frame building on Fayetteville Street. In it there is no vault of any character. The Insurance Commissioner has provided himself with a large, modern, fireproof safe, in which the records of his office and the valuable papers are stored. But he has deemed that this safe is not sufficiently strong protection for the securities in his hands, and therefore he rents a safety-deposit box and deposits his valuable papers and securities in a bank vault. Your committee believes this is the only absolutely safe and practical means of protecting these securities until the State shall have provided more commodious quarters with modern vaults.

We examined with care the methods of bookkeeping adopted by the Insurance Commissioner. As the transactions of his office consist of a large number of small items, aggregating nearly \$250,000 during a year, it makes it tedious to check up each item, and we believe a more modern and easily understood system of bookkeeping should be installed, under which balances should be made at regular periods, and we are glad to note that the Insurance Commissioner is installing certain changes of bookkeeping along the lines suggested by the expert accountant who was employed by the Auditing Committee with the consent and at the expense of the Insurance Commissioner, which latter fact the Auditing Committee failed to report to the Legislature. The expert accountant, in his letter to the Auditing Committee, stated he could not make an absolutely correct statement of this account without going back and checking up the entire business of the office since its establishment in 1899. This we believe erroneous. We have examined the books and find that prior auditing committees have checked up the books since the passage of the law authorizing such checking up, and evidences of such checkings are shown by the books themselves. And there is no evidence in any of the books or suggestions in any of the records in the office of any improper conduct or any failure to collect fees and taxes, or any failure to account for moneys or funds of any character which have come into the hands of the Insurance Commissioner, but the contrary appears to be the facts. It will be noted that the Auditing Committee, at their last examination, not only checked by an expert the books for the preced-